

Faliero, Bryan

November 2, 2016

1

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CONN CREDIT I, LP,)
Plaintiff,) Case No.
vs.) 4:15-CV-03713
SHERMAN ORIGINATOR III)
LLC,)
Defendant.)
-----)

VIDEOTAPED DEPOSITION OF
BRYAN FALIERO
New York, New York
Wednesday, November 2, 2016

Reported by:
TAMI H. TAKAHASHI, RPR, CSR

Henderson Legal Services, Inc.

202-220-4158

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Faliero, Bryan

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63

1 you were evaluating the current portfolio for
2 purchase, were you aware of a previous
3 transaction with Conn's?

4 **A. Yes, between Conn's and Sherman.**
5 **While I was -- while we were analyzing the**
6 **portfolios in question that came through**
7 **Garnet, I was aware that we had done a**
8 **transaction with Conn's.**

9 Q. And did that -- was that
10 transaction -- was that portfolio
11 characterized in a similar way to the
12 portfolio that was being considered in April
13 of 2014?

14 MR. WRONSKI: Object to the form.

15 **A. No.**

16 BY MR. MONTGOMERY:

17 Q. And how was it considered and
18 compared to the one that was being
19 anticipated in April of 2014?

20 **A. How was what compared?**

21 Q. I'm sorry. That's a poor question.
22 So, how was the 2012 transaction
23 different to the 2014 anticipated transaction
24 when you were evaluating it?

25 MR. WRONSKI: Form and foundation.

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November 2, 2016

64

1 **A. I was not part of the 2012**
2 **evaluation.**

3 BY MR. MONTGOMERY:

4 Q. And was the 2012 debt portfolio
5 there comparable to the one that was being
6 anticipated for -- evaluated for purchase in
7 April of 2014?

8 MR. WRONSKI: Form.

9 **A. I don't know if comparable -- how**
10 **you mean, but I will tell you that no, they**
11 **were completely different.**

12 BY MR. MONTGOMERY:

13 Q. And how were they completely
14 different?

15 **A. Two glaring ways is the transaction**
16 **from 2012 was significantly older in age**
17 **post-chargeoff and the assets acquired in**
18 **2012 were originated over a completely**
19 **different period of time.**

20 Q. What do you mean, "completely
21 different"?

22 **A. Different -- a different age,**
23 **different years. They were originated during**
24 **different years.**

25 Q. What do you mean by that?

Faliero, Bryan

November 2, 2016

65

1 A. If you were to apply for a credit
2 card today and they approved you, you would
3 be originated now in 2017. The portfolio in
4 2012, on average, was originated during a
5 different time period than the portfolio that
6 we bid on in April 2014.

7 Q. And how was that time of
8 origination not comparable?

9 Let me strike that.

10 How was that a meaningful
11 difference?

12 MR. WRONSKI: Foundation and form.

13 A. So, the evaluation of portfolio --
14 of a portfolio we had discussed earlier is a
15 function of many different things, including
16 the credit quality. If accounts are
17 obtained -- are originated under a different
18 period of time, they may be originated
19 differently.

20 BY MR. MONTGOMERY:

21 Q. May be. Were you aware that
22 they --

23 A. I was not part of the 2012
24 evaluation.

25 Q. So how it was originated you didn't